

Message Text

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APPROVED BY IO:RDMOREY

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UN/SEC:RVHENNES

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TO USMISSION USUN NEW YORK

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TAGS: UN AORG

SUBJECT: AGENDA ITEM 81 - REPORTS OF THE JIU - TRUST FUNDS

THE U.S. IS CONCERNED THAT THE INDIVIDUAL TRUST FUNDS OPERATING WITHIN THE UN SYSTEM ARE (1) NOT BEARING THEIR OWN WEIGHT IN TERMS OF REIMBURSING THE VARIOUS AGENCIES FOR THEIR OVERHEAD COSTS; AND (2) THE VARIOUS GOVERNING BODIES ARE NOT BEING INFORMED IN A MANNER AND IN SUFFICIENT GOOD TIME SO THAT THESE BODIES CAN INCORPORATE ACTIVITIES FINANCED BY THESE FUNDS IN THEIR REVIEWS OF THE PROGRAMS OF THE AGENCIES.

THE PROBLEM IS THAT THERE ARE TWO DISTINCT TYPES OF TRUST FUNDS--ONE WHICH IS UNDER INTERGOVERNMENTAL CONTROLS AND OTHERS WHICH ARE BILATERAL OR UNILATERAL IN THAT THE UN SYSTEM IS USED AS INSTRUMENT TO IMPLEMENT PROGRAMS OF ONE COUNTRY, FOUNDATION, OR WHAT HAVE YOU. IT IS THIS LATTER TYPE THAT IS OF CURRENT CONCERN; SINCE AT PRESENT KNOWLEDGE OF HOW THESE PROGRAMS ARE IMPLEMENTED IS FRAGMENTED

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THERE IS NO KNOWN COHERENT PATTERN AS TO HOW THESE TRUSTS

REIMBURSE FOR OVERHEAD, ETC. WHAT KNOWLEDGE THERE IS OF THEM IS MOSTLY EX POST FACTO IN THE FORM OF AUDITORS REPORTS ON PAST ACTIVITIES OF THE ORGANIZATIONS. WHAT THE U.S. WOULD LIKE IS, THEREFORE, TWO FOLD: (1) FULL REPORTING, PREFERABLY IN PROGRAM BUDGET DOCUMENTS OF SUCH TRUST FUNDS BY SOURCE, USE AND PROGRAM; AND (2) STANDARDS

ESTABLISHED FOR THE TRUST FUNDS TO DEFRAY THE OVERHEAD COSTS OF THE AGENCIES IN IMPLEMENTING THEM. THE U.S. IS NOT TRYING TO ESTABLISH A VALUE JUDGMENT THAT TRUST FUNDS OF THIS TYPE ARE GOOD OR BAD, SINCE THE U.S. PARTICIPATES, BUT RATHER TO ESTABLISH A PATTERN OF BEHAVIOUR VIS-A-VIS THESE FUNDS SO THAT MEMBERS ARE FULLY COGNIZANT OF THE IMPLICATION OF THE PROGRAMS ON THE ACTIVITIES OF THE AGENCIES.

IN LOOKING OVER THE RECOMMENDATIONS OF THE SECOND REPORT OF THE CCAQ TASK FORCE ON A COST MEASUREMENT SYSTEM, IT APPEARS THAT THE SYSTEM WHICH IS BEING DEVELOPED IS SO EXCLUSIVELY TAILORED TO MEETING THE REQUIREMENTS OF ESTABLISHING COST OVERHEAD FACTORS FOR UNDP FINANCED PROJECTS THAT THE RESULT MAY NOT BE APPLICABLE TO OTHER TRUST FUNDS. THE REPORTING FORMS, FOR EXAMPLE, CALL FOR TIME AND PROGRAM EXPENDITURES TO BE REPORTED "REGULAR PROGRAM", "UNDP" AND THEN ONLY "OTHER". TO ENUMERATE AND ACCOUNT FOR THE "OTHER" CATEGORIES, GIVEN THE LARGE NUMBER OF SUCH TRUST FUNDS, WOULD SEEM AN IMPOSSIBLE TASK AND PROBABLY END UP WITH A LARGE PROPORTION OF THE STAFF DOING NOTHING BUT BEING TIME-KEEPERS. THEREFORE, THE U.S. BELIEVES THAT WHATEVER SYSTEM OR LEVEL OF REIMBURSEMENT IS FINALLY IMPOSED ON THE UNDP, REIMBURSEMENTS WILL HAVE TO BE EXTENDED TO OTHER TRUST FUNDS WITHOUT ACCOUNTING FOR EACH INDIVIDUAL FUND. ALTERNATIVELY, BASED ON LIMITED SURVEYS, PERHAPS A VARIETY OF CATEGORIES OF TRUST FUND ACTIVITIES COULD BE DEVELOPED WITH A SCHEDULE OF REIMBURSEMENTS FOR EACH, E.G. A FIXED PERCENT REIMBURSEMENT FOR STRAIGHT PROCUREMENT ACTIVITIES ON BEHALF OF BILATERAL PROGRAMS; ANOTHER ONE FOR EXPERT RECRUITMENT; YET A DIFFERENT ONE FOR MOUNTING FULL TECHNICAL ASSISTANCE ACTIVITIES ON BEHALF OF INDIVIDUAL DONORS, ETC. WHATEVER

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ALTERNATIVE IS EVENTUALLY ADOPTED, THE OBJECTIVE IS TO ASSURE THAT UNILATERAL OR BILATERAL DONATIONS DO NOT HAVE DISTORTING EFFECTS ON THE REGULARLY FUNDED PROGRAMS OF THE AGENCIES. IT IS HOPED THAT THE ACABQ WILL LOOK FURTHER INTO THIS QUESTION AT ITS FORTHCOMING MEETINGS. RUSH

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